

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
CARBON CAPITAL II, INC., a Maryland  
corporation,

Plaintiff,

- against -

ROYAL PALM SENIOR INVESTORS, LLC, a  
Delaware limited liability company, and GUY T.  
MITCHELL, an individual,

Defendants.  
-----X

08 Civ. 3660 (JES)

**STIPULATION AND ORDER**

WHEREAS, on April 3, 2008, Plaintiff filed an action for an injunction and declaratory judgment (the "Action") in the Supreme Court of the State of New York;

WHEREAS, on April 16, 2008, Defendants removed the Action to the United States District Court for the Southern District of New York (the "Court");

WHEREAS, on April 17, 2008, Plaintiff moved the Court for a temporary restraining order and preliminary injunction, and the Court heard arguments from counsel for all parties;

WHEREAS, the Court's direction to the parties is reflected in the transcript of the hearing held April 17, 2008;

IT IS HEREBY STIPULATED AND AGREED, by and between the parties through the undersigned counsel for all parties to the above-entitled action that, pursuant to Rule 34 of the Federal Rules of Civil Procedure, Defendants will promptly produce to Plaintiff or make available for Plaintiff's inspection the books and records of Defendants that Defendants have control over, whether directly or indirectly, that concern the Royal Palm Hotel, and are requested in writing by Plaintiff through its undersigned counsel;

IT IS HEREBY FURTHER STIPULATED AND AGREED, by and between the parties through the undersigned counsel for all parties to the above-entitled action that Defendants will refrain from transferring, destroying and/or interfering with any books and records of Defendants that Defendants have control over, whether directly or indirectly, that concern the Royal Palm Hotel pending hearing on Plaintiff's application for a preliminary injunction;

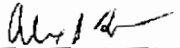
IT IS HEREBY FURTHER STIPULATED AND AGREED, by and between the parties through the undersigned counsel for all parties to the above-entitled action that all parties will maintain the status quo with respect to operation of the Royal Palm Hotel, other than any continuing efforts to market the Royal Palm Hotel for sale, pending hearing on Plaintiff's application for a preliminary injunction;

IT IS HEREBY FURTHER STIPULATED AND AGREED, by and between the parties through the undersigned counsel for all parties to the above-entitled action that Defendants will inform Plaintiff within a reasonable time period as to all expenditures that are made to operate the Royal Palm Hotel, pending hearing on Plaintiff's application for a preliminary injunction; and

IT IS HEREBY FURTHER STIPULATED AND AGREED, by and between the parties through the undersigned counsel for all parties to the above-entitled action that Defendants are


forbidden from making any extraordinary expenditures with respect to the Royal Palm Hotel, pending hearing on Plaintiff's application for a preliminary injunction.

SIDLEY AUSTIN LLP

By   
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*Counsel for Plaintiff Carbon Capital II, Inc.*

Dated: April 23, 2008


ARNOLD & PORTER LLP

By   
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*Counsel for Defendants Royal Palm Senior Investors, LLC and Guy T. Mitchell*

Dated: April 23, 2008

SO ORDERED:

  
U.S.D.J.  
Dated: 4-24-08